

SENATE CS FOR CS FOR HOUSE BILL NO. 468 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 5/8/92
Referred: Judiciary

Sponsor(s): HOUSE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to unfair trade practices by construction contractors."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 * Section 1. AS 09.55 is amended by adding a new section to read:

4 ARTICLE 10. ACTIONS REGARDING NONCOMPLYING CONSTRUCTION BIDDERS.

5 Sec. 09.55.700. ACTIONS REGARDING NONCOMPLYING CONSTRUCTION
6 BIDDERS. (a) If a person suffers damages as a result of a competitive bid for a construction
7 contract losing to the bid of a person who knowingly violates AS 23.20.165, AS 23.30.045, or
8 26 U.S.C. 3101 - 3128 (Federal Insurance Contributions Act) by treating an employee as an
9 independent contractor while performing the contract, the person may bring an action for the
10 damages or for injunctive relief against the person who was awarded the contract.

11 (b) A person may not recover damages or obtain injunctive relief, except a temporary
12 restraining order, under (a) of this section if the person was knowingly in violation of an
13 employee provision when bidding on the contract.

14 (c) The attorney general may bring an action in superior court against a person who

1 knowingly violates an employee provision by treating an employee as an independent contractor
2 while performing a construction contract obtained by competitive bid. In addition to any other
3 penalty allowed by law, the court may

4 (1) impose a civil penalty of up to \$2,000 for each violation;

5 (2) enjoin the person from continuing the violation or committing further
6 violations; and

7 (3) impose a civil penalty of up to \$5,000 if the person violates an injunction
8 issued under (2) of this subsection.

9 (d) An action brought under this section must be commenced within two years of the
10 substantial completion of the construction project that was the subject of the contract.

11 (e) This section does not apply to a bid for a private sector construction contract unless
12 the total construction costs for the construction project exceed \$200,000 in any given year.

13 (f) In this section,

14 (1) "action" includes a counterclaim;

15 (2) "competitive bid" means a bid to perform a construction contract for a
16 particular price if the bid is made in response to a request for bids in which each bid is based
17 on the same terms and conditions for the performance of the contract as the other bids;

18 (3) "construction" means the construction, repair, remodeling, alteration,
19 conversion, modernization, replacement, or renovation of a building or other structure;

20 (4) "damages" does not include the physical, mental, or emotional injury of an
21 individual;

22 (5) "employee provision" means AS 23.20.165, AS 23.30.045, or 26 U.S.C. 3101 -
23 3128 (Federal Insurance Contributions Act);

24 * Sec. 2. This Act applies only to contracts entered into on or after the effective date of this Act.